

Business Health Care Costs General Background

Business and Labor Interim Committee
Staff Presentation

April 2006



Today's Discussion

- Examples of Relevant Statistics
- 2005 Interim Committee's Study
- 2006 General Session
- 2006 Interim Studies
- Possible Committee Action

Health Benefits and Employment

“There is a strong link between health benefits and employment. As a result, employment-based health benefits are the most common form of health insurance for nonpoor and nonelderly individuals in the United States.”

2003 US Population

63%

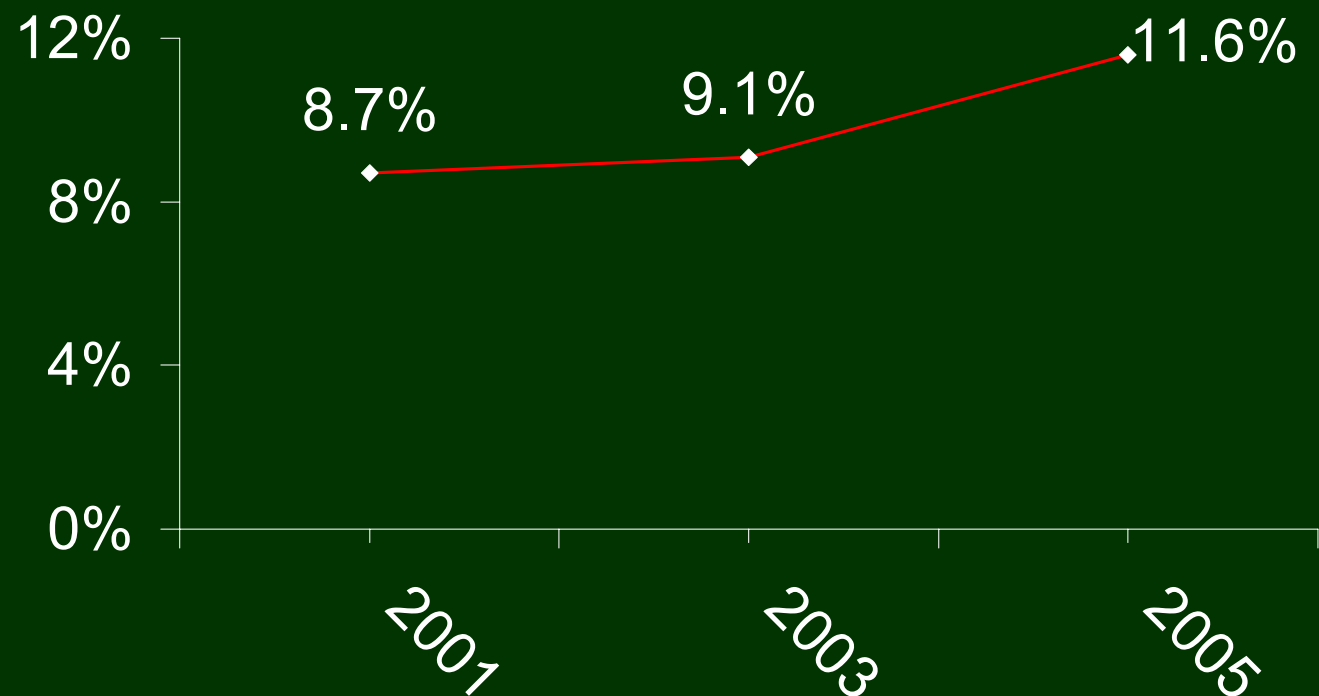
of nonelderly individuals were covered by an employment-based health plan

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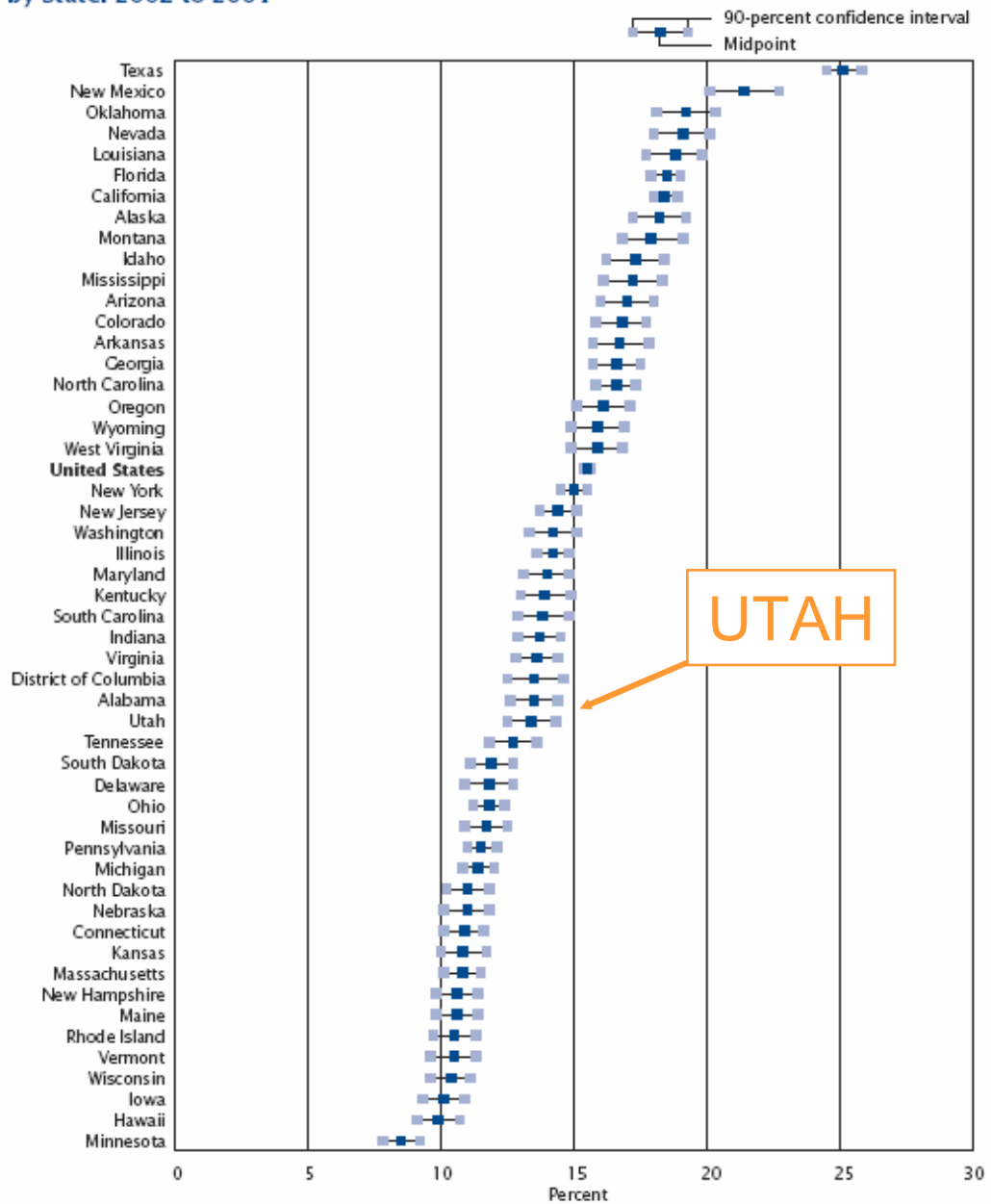
2003 UT Population
70.8%
of all Utahns
were covered by
an employment-
based health plan

% With NO Health Insurance: Utah (2001, 2003, & 2005)



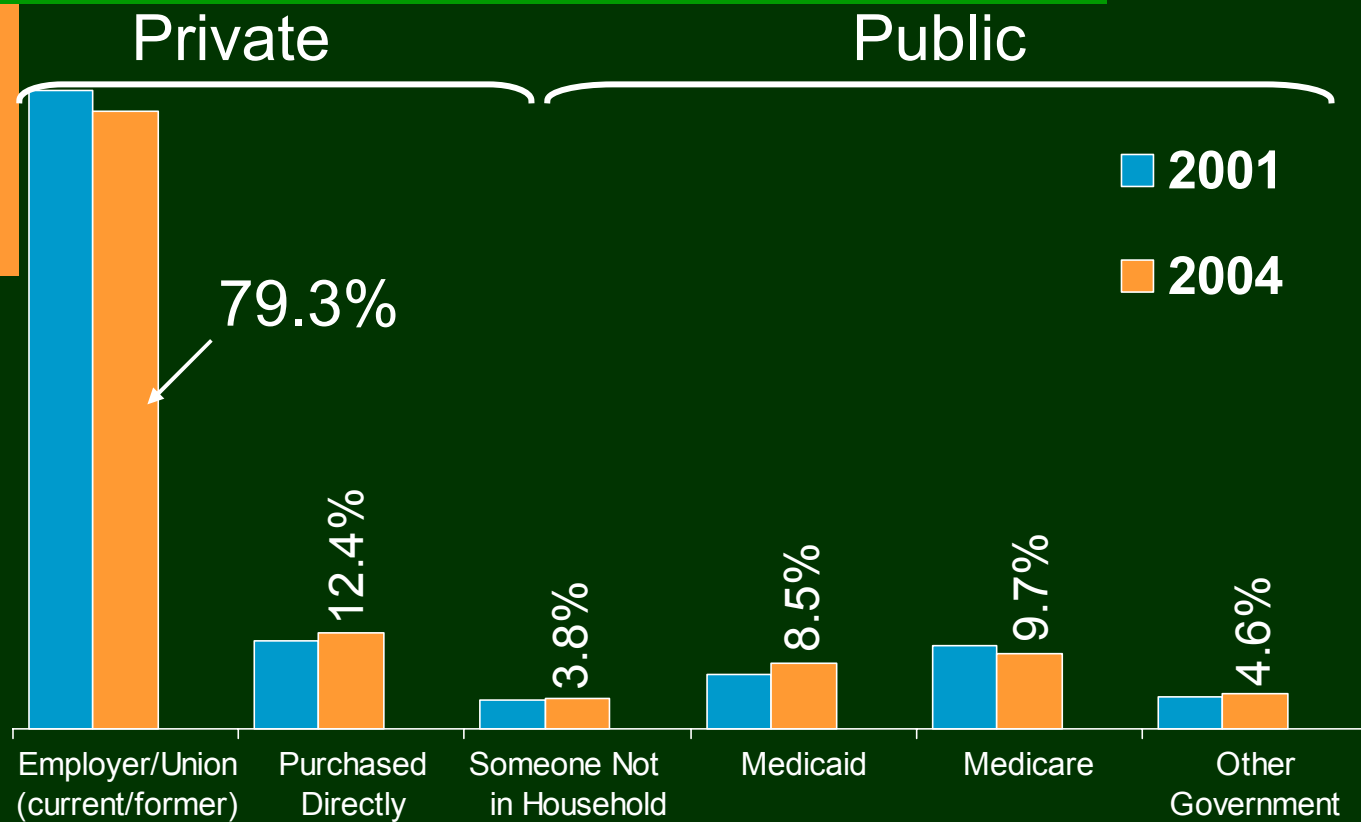
Estimated Number and Percentage of Utahns Who Lacked Health Insurance Coverage by Selected Demographic Characteristics: 2001, 2003, 2004, 2005, Office of Public Health Assessment, Dept. of Health

Figure D-3.
**Three-Year-Average Percentage of People Without Health Insurance Coverage
 by State: 2002 to 2004**



Source: U.S. Census Bureau, Current Population Survey, 2003 to 2005 Annual Social and Economic Supplements.

% By Source of Insurance: Utah Insured Population



Private Sector Coverage: Utah Compared With US

% of Private Sector Establishments that Offer
Health Insurance to Employees, 2003

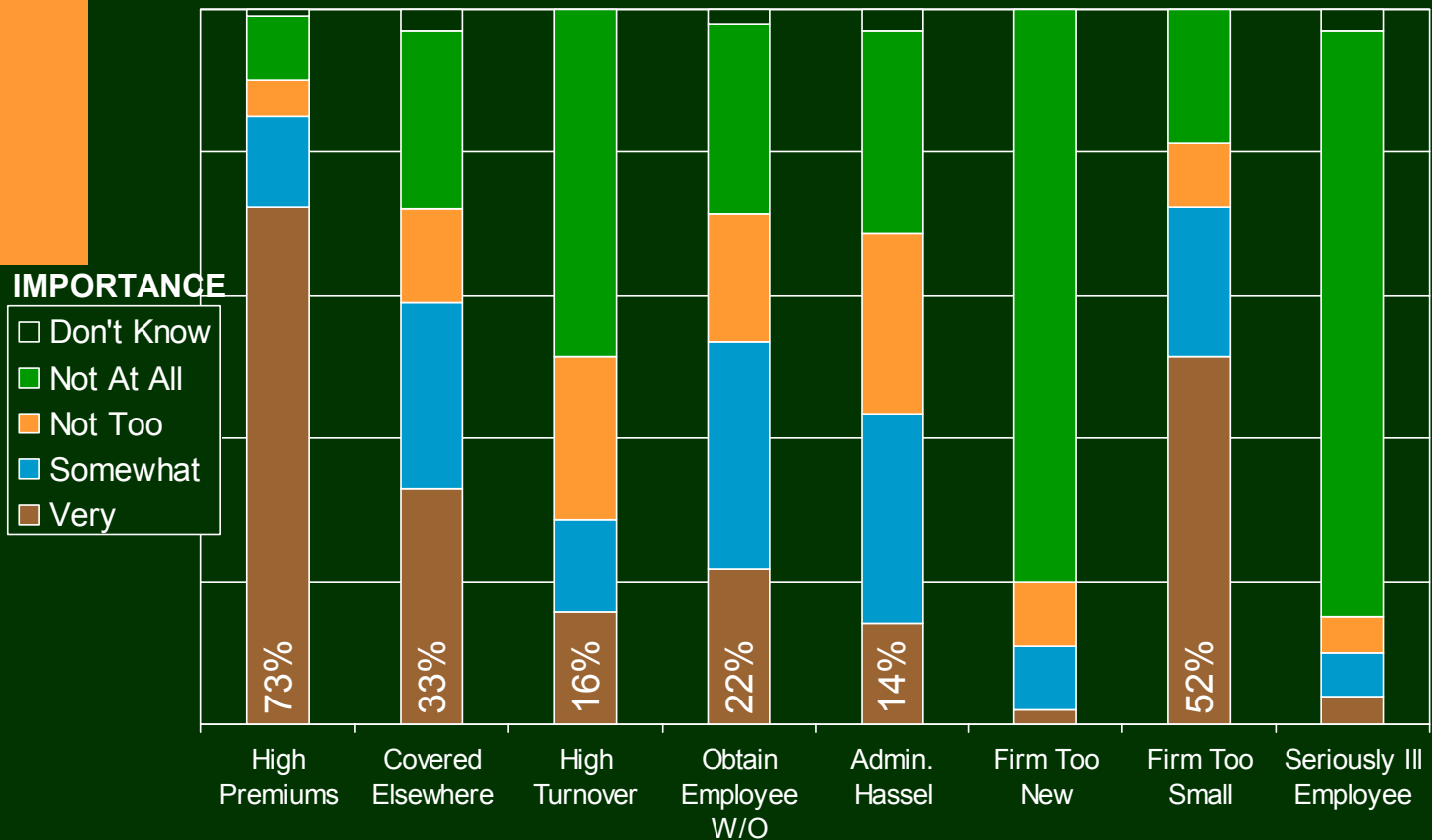
UT(%)	US(%)
48.6	56.2

% of Private Sector Establishments that Offer
Health Insurance to Employees, **by Firm Size**, 2003

	UT(%)	US(%)
Fewer than 50 Employees	33.9	43.2
50 Employees or More	96.0	95.4

Statehealthfacts.org, Henry J. Kaiser Family Foundation (visited 4/4/06)
Medical Expenditure Panel Survey, http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm

Firms Not Offering Benefits, Reasons Why: US 2005

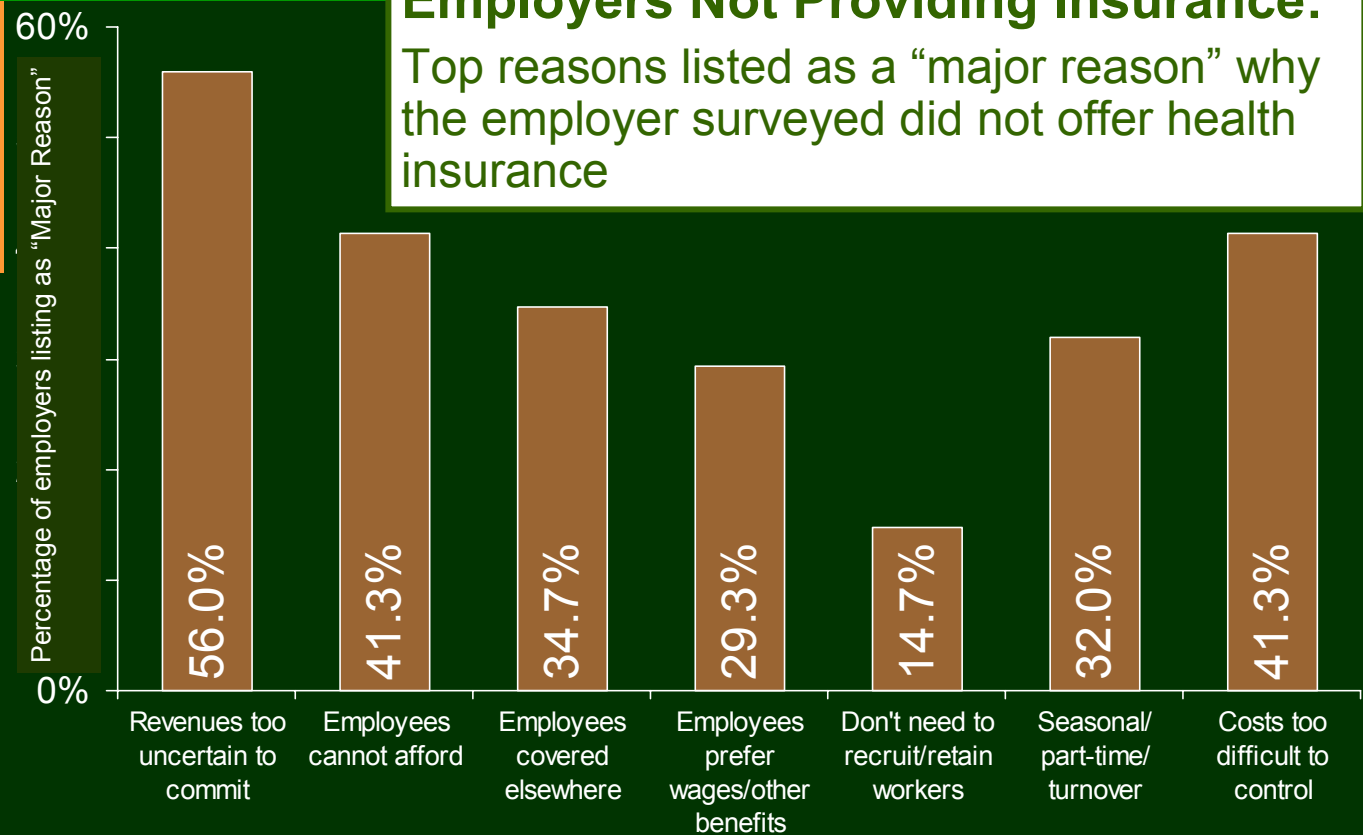


Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005

Firms Not Offering Benefits, Major Reasons Why: Utah 2001

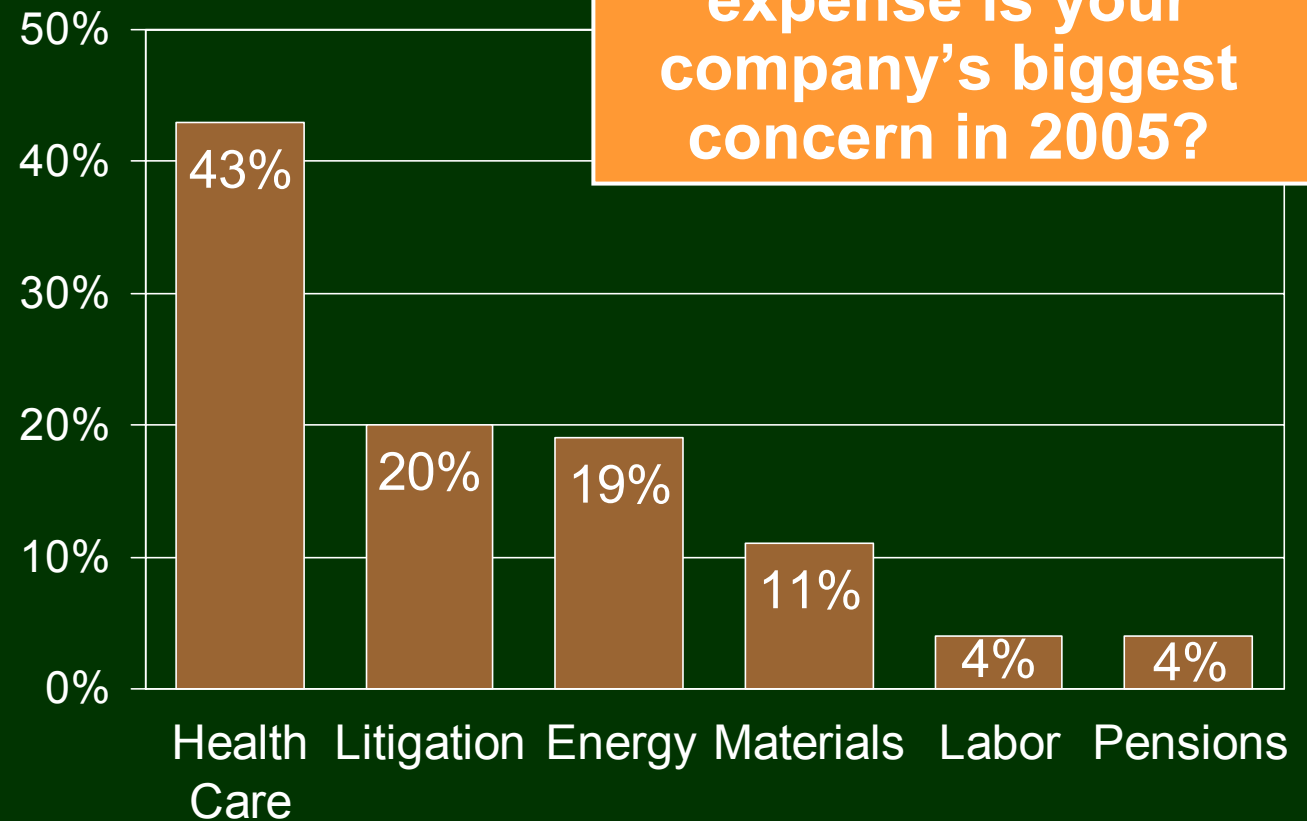
Employers Not Providing Insurance:

Top reasons listed as a “major reason” why the employer surveyed did not offer health insurance



National Surveys of Business Concern with Health Costs

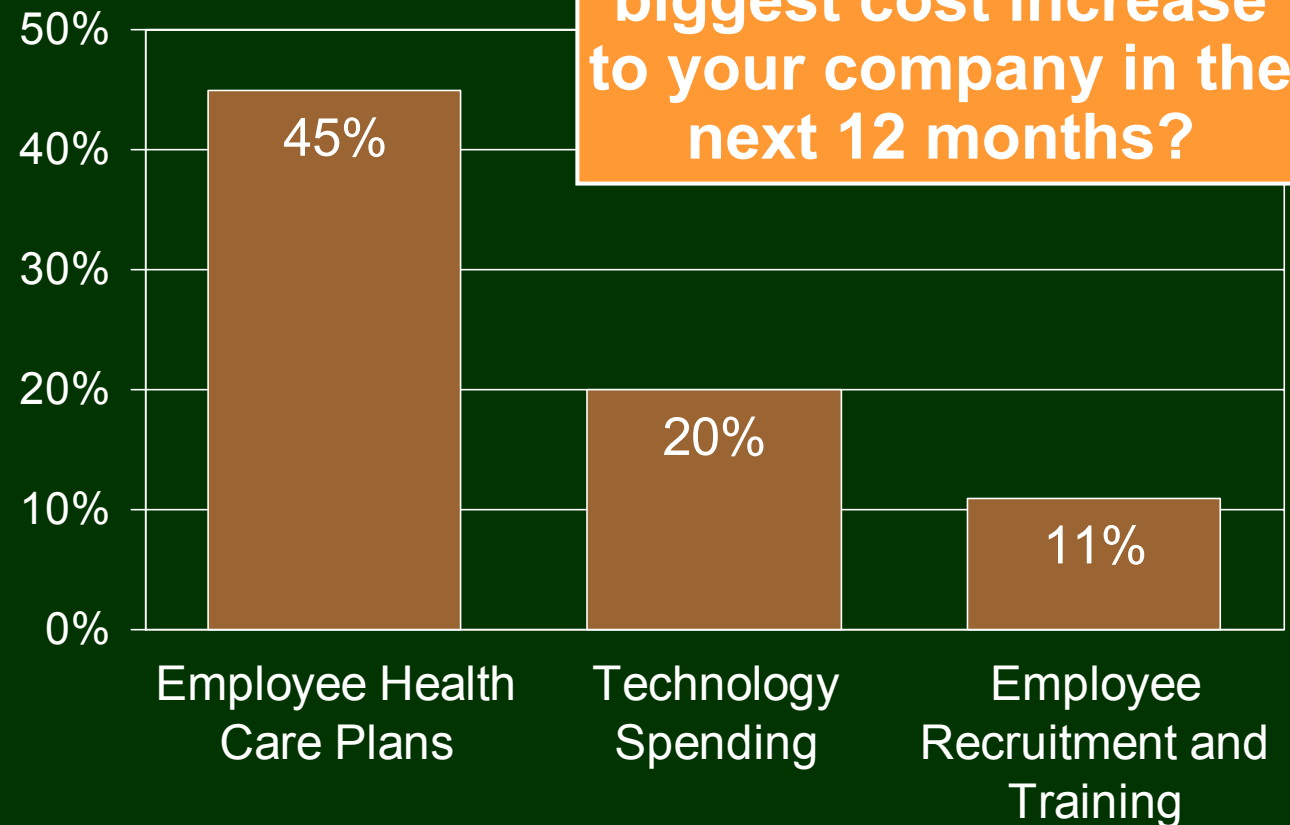
What business
expense is your
company's biggest
concern in 2005?



Tracy Watts, Mercer Health & Benefits, Source: Business Roundtable questionnaire of 131 CEOs
Presented at NCSL conference (4/7/06)

National Surveys of Business Concern with Health Costs

What will be the
biggest cost increase
to your company in the
next 12 months?



Tracy Watts, Mercer Health & Benefits, Source: Robert Half Management Resources survey of 1,482 chief financial officers at companies with revenues of \$500,000 to \$1B, Presented at NCSL conference (4/7/06)

Employment-Based Premiums: Utah Compared With US

Average Annual Cost of Employment-Based Health Insurance For **Single Coverage**, 2003

	UT(\$)	UT (%)	US(\$)	US(%)
Employee Contribution	638	19	606	17
Employer Contribution	2,714	81	2,875	83
Total	3,352	100	3,481	100

Statehealthfacts.org, Henry J. Kaiser Family Foundation (visited 4/4/06)
Medical Expenditure Panel Survey, http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm (rounded)

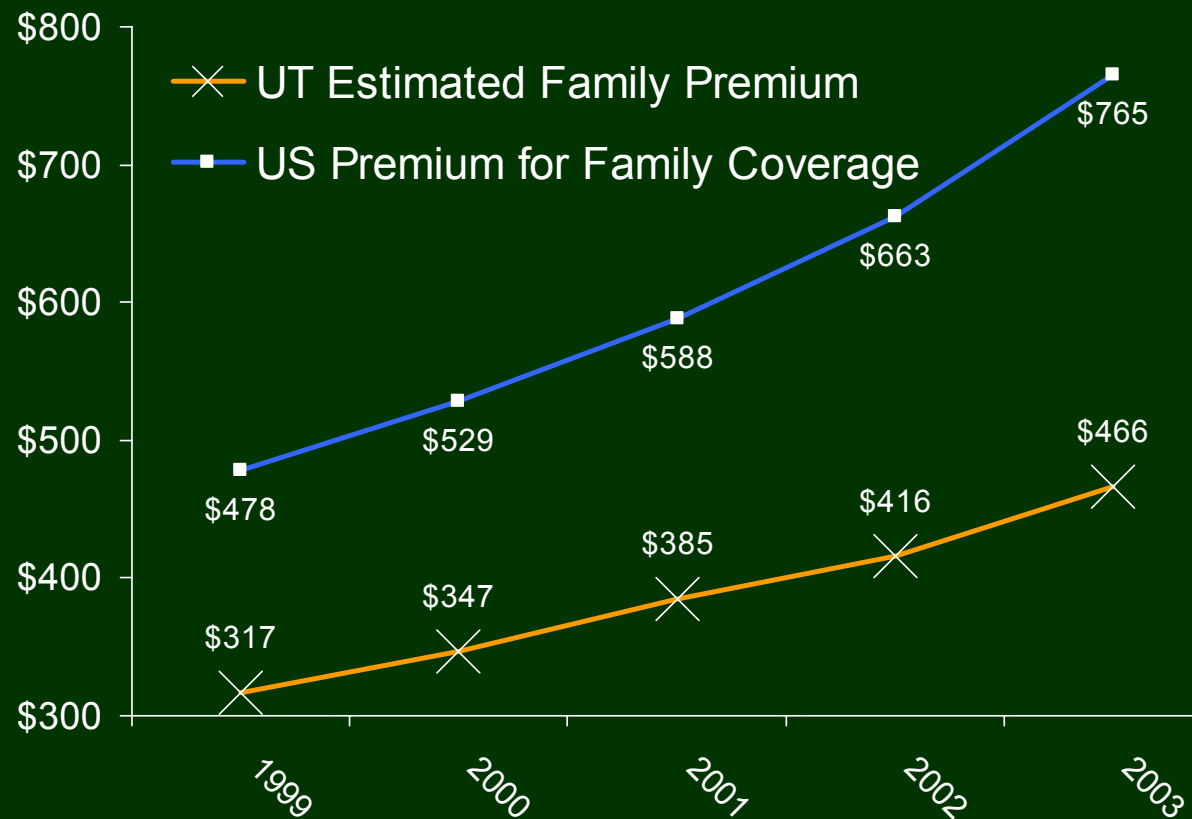
Employment-Based Premiums: Utah Compared With US

Average Annual Cost of Employment-Based Health Insurance For **Family Coverage**, 2003

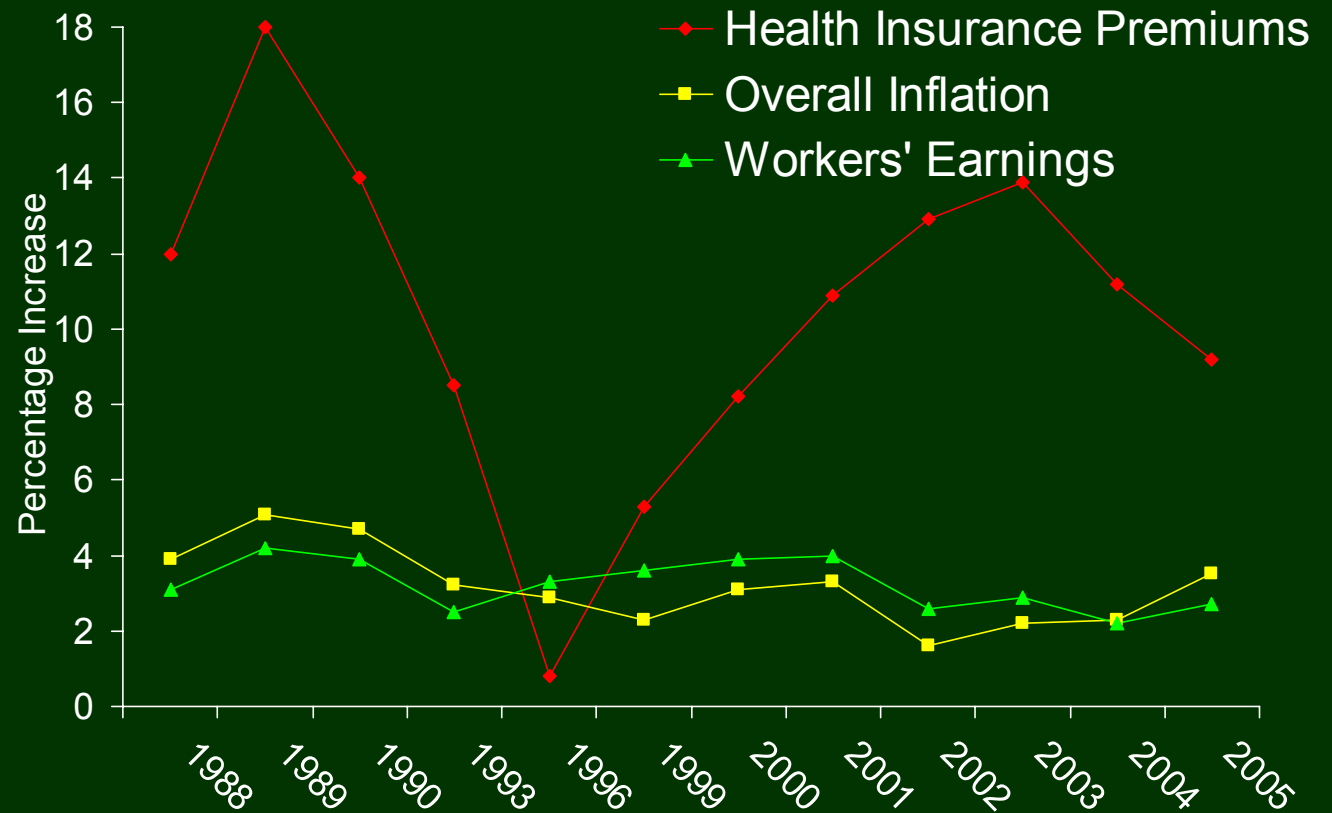
	UT(\$)	UT(%)	US(\$)	US(%)
Employee Contribution	2,309	28	2,283	25
Employer Contribution	6,040	72	6,966	75
Total	8,349	100	9,249	100

Statehealthfacts.org, Henry J. Kaiser Family Foundation (visited 4/4/06)
Medical Expenditure Panel Survey, http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm (rounded)

Comparison of Utah Premium to National Average



Health Insurance Premiums Compared to Other Indicators



National Figures, Kaiser Foundation & Health Research and Educational Trust, Employer Health Benefits, 2005 Summary of Findings. Data on premium increases reflect total health insurance premiums for a family of four.

Estimate of Health Insurance Coverage for 2003: Utah

Regulated by federal government with state shared authority for nonMedicare plans

Government Sponsored
18%

Uninsured
9%

Regulated by federal government

Employer Sponsored (self-funded)
39%

Commercial
34%

Regulated primarily by the state

2005 Interim Study by the Interim Committee

- The Business and Labor Interim Committee:
 - Considered issue of **Affordable Health Insurance** at its May, July, September, and November 2005 meetings
 - Recommended H.J.R. 2, "Resolution Urging Congressional Action on the Tax Deductibility of Medical Expenses by Individuals."

2005 Interim Study by the Interim Committee

Examples of issues include:

- Health insurance mandate review
- Comprehensive Health Insurance Pool
- Insurance through groups or associations
- Governor's Working Group on Health Insurance Coverage of the Uninsured
- Health insurance options generally

2005 Interim Study by the Interim Committee

Persons presenting include:

- Representatives of:
 - Department of Insurance
 - Department of Health
 - Insurance industry and business in general
- Legislators including Reps. Dunnigan, Oda, and Hutchings
- Tomi Ossana, Executive Director, HIPUtah

2006 General Session Health Cost Related Legislation

Examples: Health Insurance (* passed)

- Health Insurance Accessibility*
- Adoption Indemnity Benefit*
- Mammography Insurance Coverage
- Health Insurance Prompt Pay Amendments
- Resolution Urging Congressional Action on Tax Deductibility of Medical Expenses by Individuals*
- Coverage of Prescriptive Contraceptives
- Producer and Affiliate Disclosure
- Comprehensive Health Insurance Pool – General*
- Comprehensive Health Insurance Pool - Eligibility
- Comprehensive Health Insurance Pool - Funding

2006 General Session Health Cost Related Legislation

Examples: Other

- Utah Small Business Health Plan
- Medical Billing Requirements
- Health Care Cost and Quality Data
- Medicaid Covered at Work Premium Subsidy
- Patient Access to Health Care
- Consumer Access to Health Care Provider Charges
- Regulation of Direct Pathology Billing
- Hospital Liens

2006 Interim Studies Legislative Branch



- Privately Owned Health Care Organization Task Force
 - 2nd year of 2-year task force
 - Reports to Business and Labor Interim Committee
- Medicaid Interim Committee
 - Created by Legislative Management
 - Authorized for 6 meetings
 - 5 Senators and 7 Representatives
- Traditional Interim Committees

2006 Interim Studies Executive Branch



- Governor's Initiative on Health Insurance Coverage for the Uninsured
 - Identified 3 areas (students, small business, children) + others
 - Preliminary report to Governor in July
 - Goal is to have half of uninsured covered by 2010
- Insurance Department Think Tank
 - Informal
 - Meets monthly

Examples: Options to Improve Access to Private Insurance

State Continuation of Coverage Laws
Expand Definition of "Dependent"

Employer
Mandates

Groups
Join State
Employee
Health
Benefit
Plans

Premium Assistance/Private
Health Insurance Buy-In Programs

No-Mandate Policies

Publicly Funded Reinsurance
for Private Coverage

Tax Incentives for Coverage

Tax-Free Savings Accounts with High
Deductible or Consumer-Directed Plans

Require Health
Insurance as a
Condition of
State Contracts

Small Group Rating Reforms

Group Purchasing Arrangements

Individual Health Insurance Market Reforms

Require College Students to Have Insurance

Possible Committee Actions

- No Action
- Informally Monitor
- Write Letter(s)
 - Periodic reporting
 - Specific issues considered
 - Other
- Designate Legislative Option(s) to Study
- Request Legislation to be Drafted
- Other(s)

